



## ***Tennessee Valley Authority Medicare Prescription Drug Plan (Employer PDP)***

### **Annual Notice of Changes for 2014**

You are currently enrolled as a member of *Tennessee Valley Authority*. Next year, there will be some changes to the plan's administrator, costs and benefits. *This booklet tells about the changes, which will take effect January 1, 2014*

#### **Tennessee Valley Authority Medicare Prescription Drug Plan (Employer PDP) Catamaran Member Services Center:**

For help or information, please call the Catamaran Member Services Center or go to our plan website [www.mycatamaranrx.com](http://www.mycatamaranrx.com) (after your effective date of coverage).

#### **Catamaran Member Services (Calls to these numbers are free):**

1-855-207-5871

TTY users call: 711

Hours of Operation:

24 hours a day, 7 days a week

Visit our website at [www.mycatamaranrx.com](http://www.mycatamaranrx.com) (after your effective date of coverage).

#### **About Catamaran Medicare**

Catamaran is a Medicare approved Part D sponsor and will administer this plan on behalf of Tennessee Valley Authority for 2014.

If you need this information in other formats, such as Braille, large print or audio, please contact Catamaran Member Services.

## ***Annual Notice of Changes for 2014***

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## Think about Your Medicare Coverage for Next Year

Each fall, Medicare allows you to change your Medicare health and drug coverage during the Annual Enrollment Period. It's important to review your coverage now to make sure it will meet your needs next year.

Important things to do:

- ☐ **Check the changes to our benefits and costs to see if they affect you.** It is important to review benefit and cost changes to make sure they will work for you next year. Look in Section 2 for information about benefit and cost changes for our plan.
- ☐ **Check the changes to our prescription drug coverage to see if they affect you.** Will your drugs be covered? Are they in a different tier? Can you continue to use the same pharmacies? It is important to review the changes to make sure our drug coverage will work for you next year. Look in Section 2 for information about changes to our drug coverage.
- ☐ **Think about your overall costs in the plan.** How much will you spend out-of-pocket for the services and prescription drugs you use regularly? How much will you spend on your premium? How do the total costs compare to other Medicare coverage options?
- ☐ **Think about whether you are happy with our plan.**

### **If you decide to stay with *Tennessee Valley Authority*:**

If you want to stay with us next year, it's easy - you don't need to do anything. You will automatically stay enrolled in our plan.

### **If you decide to change plans:**

If you decide other coverage will better meet your needs, you can switch plans anytime during the year. If you enroll in another prescription drug plan other than Tennessee Valley Authority, it may impact other benefits, such as medical coverage. Your new coverage will begin on January 1, 2014.

## We are Changing the Plan's Administrator

On January 1, 2014, our plan's administrator will change from Express Scripts to Catamaran. The plan's name will be changing as well from **Express Scripts Medicare (PDP)** to **Tennessee Valley Authority Medicare Prescription Drug Plan (Employer PDP)**.

All of your 2014 plan materials will show the new name of Catamaran. New Member ID cards WILL be mailed as a result of this change.

## Summary of Important Costs for 2014

The table below compares the 2013 costs and 2014 costs for Tennessee Valley Authority in several important areas. **Please note this is only a summary of changes. It is important to read the rest of this *Annual Notice of Changes*** and review the enclosed *Evidence of Coverage* to see if other benefit or cost changes affect you.

	2013 (this year)	2014 (next year)
<b>Monthly plan premium*</b> * Your premium may be higher or lower than this amount.	See section 1.1 TVA sent you a letter with your 2013 Medicare premium.	See section 1.1 TVA will send you a letter in the fall with your 2014 Medicare premium.
<b>Part D prescription drug coverage</b>	Deductible: \$200  Copays during the Initial Coverage Stage (31-day supply): <ul style="list-style-type: none"> <li>• Drug Tier 1: \$10</li> <li>• Drug Tier 2: \$40</li> <li>• Drug Tier 3: \$80</li> <li>• Drug Tier 4: \$80</li> </ul>	Deductible: \$200  Copays during the Initial Coverage Stage (31-day supply): <ul style="list-style-type: none"> <li>• Drug Tier 1: \$10</li> <li>• Drug Tier 2: \$40</li> <li>• Drug Tier 3: \$80</li> <li>• Drug Tier 4: \$80</li> </ul>

## SECTION 1 Changes to Benefits and Costs for Next Year

### Section 1.1 – Changes to the Monthly Premium

Your monthly premium for your Medicare Supplement Plan includes the Medicare Part D prescription benefit as well as medical coverage. TVA will send you a letter in the fall with your 2014 Medicare supplement premium.

- Your monthly plan premium will be *more* if you are required to pay a late enrollment penalty.
- If you have a higher income, you may have to pay an additional amount each month directly to the government for your Medicare prescription drug coverage.
- Your monthly premium will be *less* if you are receiving “Extra Help” with your prescription drug costs.

### Section 1.2 – Changes to the Pharmacy Network

Amounts you pay for your prescription drugs may depend on which pharmacy you use. Medicare drug plans have a network of pharmacies. In most cases, your prescriptions are covered *only* if they are filled at one of our network pharmacies.

There may be changes to the network of pharmacies for next year.

A Pharmacy Directory will be mailed with your ID card. A Pharmacy Locator tool can also be found on our Web site at [www.mycatamaranrx.com](http://www.mycatamaranrx.com) (after your effective date of coverage). You may also call Catamaran Member Services for updated pharmacy information.

### Section 1.3 – Changes to Part D Prescription Drug Coverage

#### Changes to the Drug List

Our list of covered drugs is called a Formulary or “Drug List.” You will receive a copy of an abridged formulary list with your ID card.

This Drug List may be different than your current 2013 Drug List. **Review the Drug List to make sure your drugs will be covered next year and to see if there will be any restrictions.** The Drug List we included in this envelope includes many – *but not all* – of the drugs that we will cover next year. If you don’t see your drug on this list, it might still be covered. **You can get the *complete* Drug List** by calling Catamaran Member Services (see the front cover) or visiting our Web site ([www.mycatamaranrx.com](http://www.mycatamaranrx.com) after your effective date of coverage).

If you are affected by a change in drug coverage you can:

- **Work with your doctor (or other prescriber) and ask the plan to make an exception** to cover the drug. You can ask for an exception before next year and we will give you an

answer before the change takes effect. To learn what you must do to ask for an exception, see Chapter 9 of your *Evidence of Coverage (What to do if you have a problem or complaint (coverage decisions, appeals, complaints))* or call Catamaran Member Services.

- **Find a different drug** that we cover. You can call Catamaran Member Services to ask for a list of covered drugs that treat the same medical condition.

In some situations, we will cover a **one-time**, temporary supply. (To learn more about when you can get a temporary supply and how to ask for one, see Chapter 5, of the *Evidence of Coverage*.) During the time when you are getting a temporary supply of a drug, you should talk with your doctor to decide what to do when your temporary supply runs out. You can either switch to a different drug covered by the plan or ask the plan to make an exception for you and cover your current drug.

If you currently have a formulary exception on file for the 2013 plan year, you may need to submit a new request for an exception for 2014. The approval letter you received contains a start and end date for the approval. Please refer to this letter to determine if a request for a new exception is needed.

### Changes to Prescription Drug Costs

**There are four drug payment stages. How much you pay for a Part D drug depends on which drug payment stage you are in.**

The information below shows the four drug payment stages. You can also look in Chapter 6 of your *Evidence of Coverage* for more information about the stages.

Note: If you are in a program that helps pay for your drugs (“Extra Help”), **the information about costs for Part D prescription drugs may not apply to you.** We have included a separate insert, called the “Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs” (also called the “Low Income Subsidy Rider” or the “LIS Rider”), which tells you about your drug coverage. If you don’t have this insert, please call Catamaran Member Services at 1-855-207-5871, 24 hours a day, 7 days a week. (TTY users call 711)

The information below shows the changes for next year to the first two stages – the **Yearly Deductible Stage** and the **Initial Coverage Stage**. (Most members do not reach the other two stages – the Coverage Gap Stage or the Catastrophic Coverage Stage. To get information about your costs in these stages, look at Chapter 4 in the enclosed Evidence of Coverage.

In addition to the changes in costs described below, there is a change to daily cost sharing that might affect your costs in the Initial Coverage Stage. Starting in 2014, when your doctor first prescribes less than a full month’s supply of certain drugs, you may no longer need to pay the copay for a full month. (For more information about daily cost sharing, look at Chapter 4 in the enclosed Evidence of Coverage.)

## Changes to the Deductible Stage

During this stage, you pay the full cost of your drugs until you reach the yearly deductible amount.

	2013 (this year)	2014 (next year)
<b>Stage 1: Yearly Deductible Stage</b>	The deductible is \$200 at retail	The deductible is \$200 at retail
During this stage, you pay the full cost of your drugs at retail. You stay in this stage until you have paid your deductible amount. Once you meet your deductible, you move on to the Initial Coverage stage.		

## Changes to Your Copayments in the Initial Coverage Stage

	2013 (this year)	2014 (next year)
<b>Stage 2: Initial Coverage Stage</b>	<b>Retail Refill Allowance</b>	<b>Retail Refill Allowance</b>
	After you obtain three fills of a maintenance medication at retail, you will be charged a different amount if you continue filling that medication at retail. Beginning with the fourth fill of a maintenance medication at retail, you will pay a 47.5% coinsurance. If you fill your prescription through our mail-order service, you will pay the mail-order cost-sharing listed in the following table below.	N/A

	2013 (this year)	2014 (next year)
<p><b>Stage 2: Initial Coverage Stage (<i>continued</i>)</b></p> <p>Once you pay the yearly deductible at retail, you move to the Initial Coverage Stage. (You begin in this stage if filling your prescriptions through mail order.) During this stage, the plan pays its share of the cost of your drugs and <b>you pay your share of the cost.</b></p>	<p><b>Generic Drugs:</b></p> <p>Retail: You pay \$10 per prescription (31-day supply); \$30 per prescription (90-day supply)</p> <p>Mail: You pay \$20 per prescription (90-day supply)</p> <p><b>Preferred Brand:</b></p> <p>Retail: You pay \$40 per prescription (31-day supply); \$120 per prescription (90-day supply)</p> <p>Mail: You pay \$80 per prescription (90-day supply)</p> <p><b>Non-Preferred Brand:</b></p> <p>Retail: You pay \$80 per prescription (31-day supply); \$240 per prescription (90-day supply)</p> <p>Mail: You pay \$120 per prescription (90-day supply)</p> <p><b>Specialty:</b></p> <p>Retail: You pay \$80 per prescription (31-day supply); \$240 per prescription (90-day supply)</p> <p>Mail: You pay \$120 per prescription (90-day supply)</p> <p>Once your total drugs costs have reached \$2,970, you will move to the next stage (the Coverage Gap Stage). <i>OR</i> you have paid \$4,750 out-of-pocket for Part D drugs, you will move to the next stage (the Catastrophic Coverage Stage).</p>	<p><b>Generic Drugs:</b></p> <p>Retail: You pay \$10 per prescription (31-day supply); \$30 per prescription (90-day supply)</p> <p>Mail: You pay \$20 per prescription (90-day supply)</p> <p><b>Preferred Brand:</b></p> <p>Retail: You pay \$40 per prescription (31-day supply); \$120 per prescription (90-day supply)</p> <p>Mail: You pay \$80 per prescription (90-day supply)</p> <p><b>Non-Preferred Brand:</b></p> <p>Retail: You pay \$80 per prescription (31-day supply); \$240 per prescription (90-day supply)</p> <p>Mail: You pay \$120 per prescription (90-day supply)</p> <p><b>Specialty:</b></p> <p>Retail: You pay \$80 per prescription (31-day supply); \$240 per prescription (90-day supply)</p> <p>Mail: You pay \$120 per prescription (90-day supply)</p> <p>Once your total drugs costs have reached \$2,850, you will move to the next stage (the Coverage Gap Stage). <i>OR</i> you have paid \$4,550 out-of-pocket for Part D drugs, you will move to the next stage (the Catastrophic Coverage Stage).</p>



There is another important change that might affect your costs in the Initial Coverage Stage. Generally, your copay has been the same whether you filled your prescription for a full month's supply or for fewer days. However, starting in 2014, your copay for some drugs will be based on the actual number of days' supply you receive rather than a set amount for a month. There may be times when you want to ask your doctor about prescribing less than a full month's supply of a drug (for example, when your doctor first prescribes a drug that is known to cause side effects). If your doctor prescribes less than a full month's supply of certain drugs, and you are required to pay a copay, you will no longer have to pay for a month's supply. Instead, you will pay a lower copay (a daily cost-sharing rate) based on the number of days of the drug that you receive.

### Changes to the Coverage Gap and Catastrophic Coverage Stages

	2013 (this year)	2014 (next year)
<b>Stage 3: Coverage Gap Stage</b>	<p><b>Generic Drugs:</b> You pay the same copayment as in the Initial Coverage stage for all covered generic drugs.</p> <p><b>Brand Drugs:</b> You pay 50% of the copayment in the Initial Coverage stage for covered Medicare Part D brand-name drugs</p>	<p><b>Generic Drugs:</b> You pay the same copayment as in the Initial Coverage stage for all covered generic drugs.</p> <p><b>Brand Drugs:</b> You pay 50% of the copayment in the Initial Coverage stage for covered Medicare Part D brand-name drugs</p>
<b>Stage 4: Catastrophic Coverage Stage</b>	<p>You pay the greater of:</p> <p>\$2.65 for a generic or preferred brand drug that is a multi-source drug and \$6.60 for all other drugs.</p> <p>OR</p> <p>5% of the total cost with a maximum not to exceed the standard copayment amount during the Initial Coverage stage.</p>	<p>You pay the greater of:</p> <p>\$2.55 for a generic or preferred brand drug that is a multi-source drug and \$6.35 for all other drugs.</p> <p>OR</p> <p>5% of the total cost with a maximum not to exceed the standard copayment amount during the Initial Coverage stage.</p>

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## **SECTION 2    Deciding Which Plan to Choose**

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### **Section 2.1 – If you want to stay in *Tennessee Valley Authority***

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**To stay in our plan you don't need to do anything.** If you do not sign up for a different plan, you will automatically stay enrolled as a member of our plan for 2014.

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### **Section 2.2 – If you want to change plans**

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We hope to keep you as a member next year but if you want to change for 2014 follow these steps:

NOTE: If you disenroll or otherwise cancel your coverage, your spouse and covered dependent(s) will lose both their prescription drug coverage and medical coverage if currently enrolled. If you are the spouse of a Tennessee Valley Authority retiree, you will be disenrolled not only from Tennessee Valley Authority's prescription drug plan but from Tennessee Valley Authority's medical plan as well.

#### **Step 1: Learn about and compare your choices**

- You can join a different Medicare prescription drug plan,
- -- OR-- You can change to a Medicare health plan. Some Medicare health plans also include Part D prescription drug coverage,
- -- OR-- You can keep Original Medicare *without* a separate Medicare prescription drug plan.

To learn more about Original Medicare and the different types of Medicare plans, read *Medicare & You 2014*, call your State Health Insurance Assistance Program, or call Medicare.

You can also find information about plans in your area by using the Medicare Plan Finder on the Medicare Web site. Go to <http://www.medicare.gov> and click "Compare Drug and Health Plans." **Here, you can find information about costs, coverage, and quality ratings for Medicare plans.**

#### **Step 2: Change your coverage**

- To change to a different Medicare prescription drug plan, enroll in the new plan. You will automatically be disenrolled from *Tennessee Valley Authority*.
- To change to a Medicare health plan, enroll in the new plan. You will automatically be disenrolled from *Tennessee Valley Authority*.
- To change to Original Medicare without a prescription drug plan, you can either:

- Send us a written request to disenroll. Contact Catamaran Member Services if you need more information on how to do this (phone numbers are located on the front page of this booklet).
- – *or* – Contact **Medicare**, at 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week, and ask to be disenrolled. TTY users should call 1-877-486-2048.

## SECTION 3 Deadline for Changing Plans

If you want to change to a different prescription drug plan or to a Medicare health plan for next year, you can do it anytime of the year. The change will take effect on the first of the following month.

## SECTION 4 Programs That Help Pay for Prescription Drugs

You may qualify for help paying for prescription drugs. There are two basic kinds of help:

- **“Extra Help” from Medicare.** People with limited incomes may qualify for Extra Help to pay for their prescription drug costs. If you qualify, Medicare could pay up to seventy-five (75) percent or more of your drug costs including monthly prescription drug premiums, annual deductibles, and coinsurance. Additionally, those who qualify will not have a coverage gap or late enrollment penalty. Many people are eligible and don’t even know it. To see if you qualify, call:
  - 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day/7 days a week;
  - The Social Security Office at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call, 1-800-325-0778; or
  - Your State Medicaid Office.
- **Help from your state’s pharmaceutical assistance program.** There are programs that help people pay for prescription drugs based on their financial need, age, or medical condition. To learn more about the program, check with your State Health Insurance Assistance Program.

## SECTION 5 Questions?

### Section 5.1 – Getting Help from *Tennessee Valley Authority*

Questions? We’re here to help. Please call Catamaran Member Services at 1-855-207-5871. (TTY only, call 711.) We are available for phone calls 24 hours a day, 7 days a week. Calls to these numbers are free.

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**Read your 2014 *Evidence of Coverage* (it has details about next year's benefits and costs)**

This *Annual Notice of Changes* gives you a summary of changes in your benefits and costs for 2014. For details, look in the 2014 *Evidence of Coverage* for *Tennessee Valley Authority*. The *Evidence of Coverage* is the legal, detailed description of your plan benefits. It explains your rights and the rules you need to follow to get covered services and prescription drugs. A copy of the *Evidence of Coverage* was included in this envelope.

**Visit our Web site**

You can also visit our Web site at [www.mycatamaranrx.com](http://www.mycatamaranrx.com) (after your effective date of coverage). As a reminder, our Web site has the most up-to-date information about our pharmacy network (Pharmacy Directory) and our list of covered drugs (Formulary/Drug List).

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**Section 5.2 – Getting Help from Medicare**

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To get information directly from Medicare:

**Call 1-800-MEDICARE (1-800-633-4227)**

You can call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

**Visit the Medicare Web site**

You can visit the Medicare Web site (<http://www.medicare.gov>). It has information about cost, coverage, and quality ratings to help you compare Medicare prescription drug plans. You can find information about plans available in your area by using the Medicare Plan Finder on the Medicare Web site. (To view the information about plans, go to <http://www.medicare.gov> and click on “Compare Drug and Health Plans.”)

**Read Medicare & You 2014**

You can read *Medicare & You 2014* Handbook. Every year in the fall, this booklet is mailed to people with Medicare. It has a summary of Medicare benefits, rights and protections, and answers to the most frequently asked questions about Medicare. If you don't have a copy of this booklet, you can get it at the Medicare Web site (<http://www.medicare.gov>) or by calling 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.